

**STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION**

In the Matter of MolyCorp Inc., Operator of)
Mountain Pass Mine, Mill and Disposal Facilities)
(Discharger): Failure to submit technical or) **COMPLAINT NO. 6-98-7**
monitoring reports in accordance with time schedules) **FOR ADMINISTRATIVE**
contained in Waste Discharge Requirements in) **CIVIL LIABILITY**
violation of § 13267(b)(1) of the California Water)
Code - San Bernardino County)

ISSUED TO MOLYCORP INC., YOU ARE HEREBY GIVEN NOTICE THAT:

1. You are charged with a violation of provisions of California law, or orders of the California Regional Water Quality Control Board, Lahontan Region, for which the Regional Board may impose civil liability pursuant to the California Water Code.
2. Unless waived, a hearing on this matter will be held before the Regional Board. The hearing is scheduled for March 23, 1998 in Victorville. You, or your representatives, will have an opportunity to be heard and to contest the allegations in this Complaint and the imposition of civil liability by the Regional Board. An agenda showing the time set for the hearing will be mailed to you not less than ten days before the hearing date.
3. At the hearing, the Regional Board will consider whether to affirm, reject, or modify the proposed civil liability, or to refer the matter to the Attorney General for recovery of judicial civil liability.

ALLEGATIONS

4. You are alleged to have violated the following Sections of the California Water Code:
- § 13267(b)(1) - a requirement for submission, under penalty of perjury, technical or monitoring reports as the Regional Board may require;
5. The alleged violations in this matter are shown in Table 1, attached, and summarized below.
- a) Molycorp, Inc. violated reporting requirements contained in Monitoring and Reporting Programs which are a part of the Waste Discharge Requirements prescribed for waste discharged by Molycorp, Inc.

The Monitoring and Reporting Programs require Molycorp to submit quarterly monitoring reports by the 15th day of the month following each quarterly period. Reports are due on January 15th, April 15, July 15th and October 15th of each year. Additionally, annual monitoring reports are to be submitted.

Molycorp, Inc. violated time schedules of Monitoring and Reporting Programs on 21 occasions from March 30, 1995 to October 20, 1997.

- b) The Waste Discharge Requirements also contain a provision requiring Molycorp, Inc. to notify the Board by telephone within 24 hours whenever an adverse condition occurs as a result of an unauthorized discharge; written confirmation shall follow within two weeks. Molycorp, Inc. violated the above time schedules on 12 occasions from August 7, 1996 to December 3, 1997.

PROPOSED CIVIL LIABILITY

6. The Regional Board may impose administrative civil liability under the following Sections of the California Water Code.
- a) § 13268(a) and (b)(1) in an amount not to exceed \$1,000 per day for each day technical or monitoring reports are not submitted in violation of § 13267(b)(1).
 - b) The total maximum amount of administrative civil liability is **\$1,934,000.00**.
 - c) Regional Board staff costs of preparing this Administrative Civil Liability Complaint total is **\$22,715.00**.
7. Pursuant to § 13327 of the California Water Code, the Executive Officer of the Regional Board considered the following factors in determining the proposed amount of the Administrative Civil Liability imposed under § 13268 of the California Water Code:
- a) the nature, circumstances, extent, and gravity of the violation or violations;
 - b) if the discharge is susceptible to cleanup or abatement;
 - c) the degree of toxicity of the discharge;
 - d) the violator's ability to pay;
 - e) the effect on the violator's ability to continue business;
 - f) any voluntary cleanup efforts undertaken by the violator;
 - g) a prior history of violations;
 - h) the degree of culpability;
 - i) any economic savings for the violator resulting from the violation; and
 - j) other matters as justice may require.
8. The Executive Officer of the Regional Board proposes that administrative civil liability be imposed on Molycorp Inc. in the amount of **\$549,715.00** (includes staff cost of \$22,715.00).

WAIVER OF HEARING

9. You may waive the right to a hearing. If you choose to waive the hearing, please check and sign the enclosed Waiver of Hearing form and return it with a cashier's check or money order for the amount of civil liability proposed in paragraph No. 9 above, to the following address prior to the scheduled March 23, 1998 hearing on this matter:

California Regional Water Quality Control Board
Lahontan Region
15428 Civic Drive, Suite 100
Victorville, CA 92392

Ordered by: _____ Dated: _____
HAROLD J. SINGER
EXECUTIVE OFFICER

Attachment: Table 1

Enclosure: Waiver of Hearing

moly98cp.doc